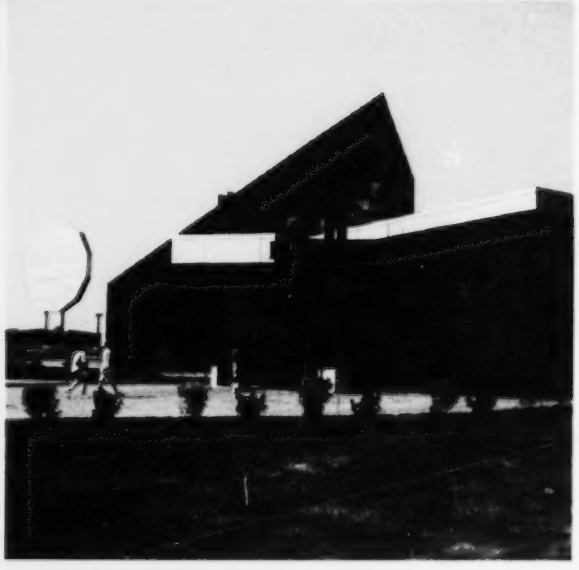
SCIENCE NORTH SCIENCE NORD



ANNUAL REPORT

2007-2008

Mission Statement

Science North creates and markets high-quality science education and entertainment experiences in English and French which involve people in the relationship between science and everyday life.

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Message from the Chair and Chief Executive Officer

The past year has been a very positive one for Science North. Science North continues to focus on changing exhibits and visitor experiences to meet the centre's mission and keep audiences coming back. Our attractions, programs and on-site businesses achieved expected budget levels, while external exhibit sales and sponsorships grew. Science North has also been fortunate to have the support of many partners who have worked with us to help achieve many of the strategic goals over the past year, whether through funding or collaboration.

Risto Laamanen
Chair, Board of Trustees

Some highlights of the past year include:

- A very successful fundraising campaign for Dynamic Earth Phase 3 with support from major stakeholders including the Northern Ontario Heritage Fund, the Department of Canadian Heritage and the City of Greater Sudbury.

- Another expansion at Dynamic Earth to revamp two existing exhibit galleries and add 372 square metres (4000 square feet) of new exhibit space which will be further developed in June 2008 and March 2009.

- The Science North travelling exhibit *Ends of the Earth: From Polar Bears to Penguins* exceeded attendance targets with close to 100,000 visitors when it closed at Science North in early September. The exhibit started a five-year North American tour in September 2008, with ten of the fifteen lease spots already booked.

- A new travelling exhibit *WaterWorks: Soak Up the Science*, a Science North production, opened in our special exhibits hall in March 2008. Major corporate sponsorship covered a significant portion of the exhibit cost, the balance of which will be recouped through leases once the tour begins in January 2009.

- A number of partners contributed to upcoming major science centre renewal projects. The Northern Ontario Heritage Fund Corporation committed $1,000,000 which will be used to develop four new object theatres at Science North, and the TD Bank Financial Group announced $250,000 for the upcoming development of a Northern Ecosystem Gallery on the third level of the science centre.

- We continue to experience success with external sales of exhibits and shows including the creation and installation of multimedia shows in Barbados and El Paso, Texas; and Nature Exchange sales to the Las Vegas Springs Preserve and BC Wildlife Park. Profits from these sales are used to support our core mission.

- We continued production and post production on our new large format film, *Mysteries of the Great Lakes*, slated to open in May 2008. The film will be fully funded thanks to government and corporate contributions.

- Science North served residents of Northern Ontario through science camps and public outreach programs. We achieved our most successful year in Science North's 24 year history in terms of attendance for summer science camps. Over 1,600 youngsters ages 4-15 experienced the fun and learning of these camps delivered in 17 communities in the summer of 2007.

- Over the past year, Science North drew close to 290,000 admissions to its attractions including the science centre, the IMAX® Theatre, Virtual Voyages motion simulator ride and Dynamic Earth.

Jim Marchbank
Chief Executive Officer

The accomplishments we have outlined in this report are but a few of those achieved over the past year. None of these would be possible without the hard work and support of our staff, volunteers and our Board of Trustees. We thank them for their dedication. Our donors, funders and sponsors have also helped ensure success over the past year and we extend a sincere thank you to them as well.

The Ministry of Culture has been supportive of Science North's request to increase base operating funding by providing an increase of $400,000. We would like to take this opportunity to thank Minister Carroll for her Ministry's support. This increase to operating funding, the first such increase since 1992, will help Science North better achieve its mandate to serve the people of Northern Ontario.

We look forward to another positive year ahead.

Sincerely,

Risto Laamanen
Chair, Board of Trustees

Jim Marchbank
Chief Executive Officer

Fast Facts
(April 1, 2007 - March 31, 2008)

Total Tickets Sold	287,332	
Family/Individual Memberships	2,605	
Corporate Memberships	38	
Employees	89	full time salaried
	127	casual, contract and hourly
Total	216	
Volunteers	190	
	14,948	hours

Education Programs - School Groups	
Science Centre	25,897
Dynamic Earth	5,547
IMAX® Theatre	15,547
Virtual Voyages	3,188
Path of Discovery	872
Total admissions	51,051

Science Programs & Workshops		
Science Camps	1,640	participants (17 communities)
Specialty Programs	495	participants
New Year's Eve Event	1,158	participants
Halloween Event	2,427	participants
Sunset to Sunrise Camp-Ins	1,823	participants
After School Program	54	participants
Public Outreach Programs	15,700	participants (11 communities)
School Outreach Programs	1,305	participants (5 communities)

Admissions	
Science North Science Centre	136,342
Science North IMAX Theatre	80,796
Virtual Voyages	24,598
Dynamic Earth	45,596
Total	287,332

IMAX® is a registered trademark of IMAX Corporation.

Strategic Objective #1

Renew, re-energize and fully develop our science programs to serve all of Northern Ontario.

Strategic Goal #1

Fund, develop and deliver a comprehensive program of science learning to schools, groups and individuals across Northern Ontario.

- A school program was delivered to two Northwestern Ontario schools via video conferencing as a pilot program using this technology. Program equipment including microscopes were sent to these schools prior to the videoconference and students participated in a hands-on science program delivered by a Staff Scientist broadcasting from Science North. These school programs were very successful and teachers showed a definite interest in receiving further programs using this technology, something Science North will pursue.

- A ScienceQuest program, funded in part by the Ministry of Research and Innovation, was delivered to youngsters in a number of Northern Ontario communities. In Little Current, Cochrane, Gore Bay, Sudbury, North Bay, Sault Ste. Marie, Science North delivered ScienceQuest summer camp programs. ScienceQuest science clubs involving 11 to 14 year old participants were delivered in five communities including Sudbury, Sault Ste. Marie, Cochrane, North Bay, and Gore Bay.

- Live outreach science programs were delivered to 1,300 students in Northern Ontario schools from five communities.

- Science North offered week-long summer science camps for children ages 4 to 15 with topics ranging from "Nature Nuts" to "Robotics" in 17 communities as far north as Moosonee, south to Parry Sound and west to Geraldton. A total of 1,640 children participated in these camp programs. This is the highest level of summer camp attendance attained since the inception of the program.

- Youth ages 10 to 13 from Sault Ste. Marie took part in a week-long space robotics program delivered by Science North in that community during March Break 2008. Participants learned how to build robots and solve a space robotics problem.

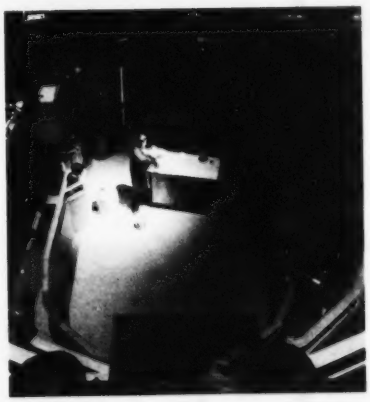
- Science North reached 15,700 Ontarians through public science outreach in 11 communities at shopping malls, festival and fairs.

Strategic Goal #2

Fund and complete a three-year program of exhibit and show renewal on the floors of Science North.

- A $1 million funding commitment was made by the Northern Ontario Heritage Fund for the renewal of four object theatres at Science North. The first theatre, covering human genetics and stem cell research, in which Ontario is a world leader, will open in January 2009. Scientific collaboration with the Ontario Genomics Institute has been established for the development of the content and storyline. This theatre is being designed to allow updating of the content as new observations and research change understanding of the science.

- A commitment of $50,000 from the Sudbury Neutrino Observatory enabled the "Secrets from the Sun" Object Theatre to be updated in anticipation of the 2008 visitor season. Results from the observations in the underground detector showing that neutrinos have mass, along with the implications of that for the understanding of stars and even the Universe itself, are now included.



- A new Staff Scientist was hired to lead the expansion of live shows in the Discovery Theatre on the third floor of the science centre. These shows have the potential to be a landmark experience for visitors.

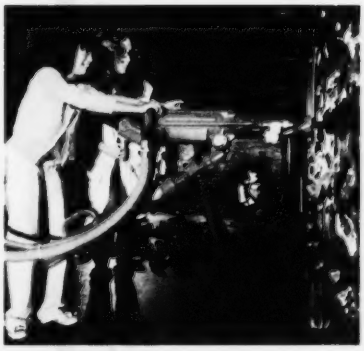
- Conceptual development of two of four themes for exhibit renewal of the third floor of the science centre was initiated. The aquatic theme is to link the lake chemistry, ecology and drinking water resource aspects of Lake Ramsey to the visitor experience while the cattail marsh of Lily Creek on the west side of the centre will be the focus for wetland programming.

- A research and evaluation group was established at Science North in February 2008 to expand the evaluation of visitor engagement and learning at the centre. Results of this research and evaluation will be used to develop more effective exhibits and programs. The group will be led by Chantal Barriault who is now Science North's first Senior Scientist, Research and Evaluation. An ongoing series of professional development sessions on evaluating and designing for visitor engagement and learning are now being presented to our science staff by members of the research group.

Strategic Goal #3

Complete the physical expansion of Dynamic Earth and establish it as the best earth sciences and mining technology learning centre and visitor experience in North America.

- Science North secured $2.5M in capital funds to complete Phase 3, a 372 metre (4000 square foot) expansion of exhibit space at Dynamic Earth. The project also included a revamp of the two existing exhibit galleries. The Earth Gallery now houses the new Rockhound Lab, as well as the interactive Ontario Rocks! exhibit. The Explora Mine in the MacLeod Rock Gallery features a new slide, drill and conveyor belt, while the Command Centre features new simulators and an underground tracking system. Construction is also underway on the Xstrata Nickel Gallery, a new multimedia object theatre experience which will open in June 2008, and the MacLean Engineering Gallery, a special exhibits hall opening in March 2009.



- Two new programs aimed at high school students were developed to support the Rainbow District School Board's new Mining High Skills Major Program. The programs "Deep Impact" and "The Mining Cycle" introduce students to Sudbury's geological history and look at the science behind local mining operations. They were delivered to 125 students in 2007.

- Memorandums of Understanding were signed with MIRARCO (The Mining Innovation, Rehabilitation and Applied Research Corporation) as well as CEMI (The Centre for Excellence in Mining Innovation) to collaborate in the development and implementation of public programs and exhibits at Dynamic Earth, and other education and awareness initiatives.

- Two local companies, Caterpillar and HLS Hard-Line Solutions Inc., donated equipment to further enhance the visitor experience.

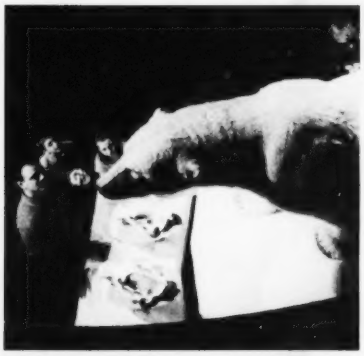
- An exhibit on the subject of gold was created to accompany the Science North produced high definition digital film *Gold Fever* during the 2007 season.

- A new Inco Chasm show was developed which profiles current mining operations in the Sudbury area and which better introduces the underground mining tour.

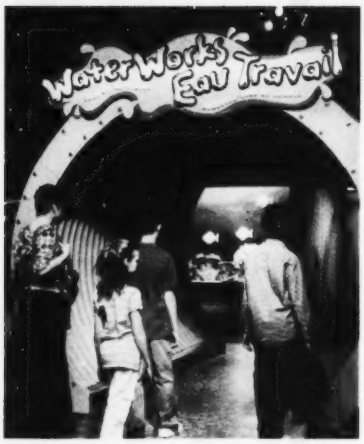
- The new high definition digital film *Ring of Fire* opened in the Atlas Copco Theatre at Dynamic Earth in March 2008 with an accompanying live show, developed in-house, entitled "Volcanoes", both of which will continue through the 2008 season.

Strategic Goal #4

Fund, develop and produce major travelling exhibits which premiere in Sudbury in 2007, 2008 and 2009 and which have the market appeal to be profitably leased across North America.



- On March 1, 2007, Science North opened its third travelling exhibition, *Ends of the Earth: From Polar Bears to Penguins.* During its six month run at Science North the exhibition attracted almost 100,000 visitors. The exhibit is now on a five-year North American tour, having been recently displayed at the Oregon Museum of Science and Industry and the Academy of Natural Sciences in Philadelphia. As of March 31, 2008 ten of the exhibition's fifteen lease spots have been booked.



- *WaterWorks: Soak up the Science* opened at Science North on March 6, 2008. This 465 square metre (5000 square feet) travelling exhibition has an engineering style and gives visitors opportunities to work with water, harness its power, and learn about its challenges. Major funding for *WaterWorks* was provided by the Northern Ontario Heritage Fund Corporation, Dow Corning Foundation and the City of Greater Sudbury. Additional funding support was provided by GE Canada and Fisheries and Oceans Canada.

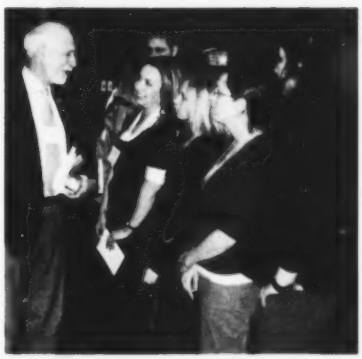
- *Creatures of the Abyss* was identified as the travelling exhibition that will open at Science North in May 2009. Exhibit topic testing was conducted in April 2007. This 557 square metre (6000 square feet) exhibition will take visitors to the depths of the ocean to explore the amazing animals that live in some of the most inhospitable conditions anywhere on the planet. A concept plan outlining the main science themes for the exhibition was completed in March 2008. The development of *Creatures of the Abyss* will be supported by a grant and a loan from the Northern Ontario Heritage Fund Corporation, totalling $800,000.

Strategic Goal #5

Fully develop the science communication program in collaboration with Laurentian University to offer a Masters, Diploma and short term courses and to be a training and research resource and net financial contributor to Science North.

- In September 2007, the Science North/Laurentian University Science Communication Graduate Diploma program, now in its third year, welcomed nine full time students and one part time student. Students studied the underlying principals and challenges of science communication in the first term and engaged in the practical application of effective communication throughout the second half of the year.

- The experience gained by the students through conducting radio interviews, writing newspaper stories, developing, delivering and implementing exhibits and programs for the science centre has proven invaluable in preparing the graduates for their future careers in science communication. All graduates have found science communication positions from the Foreign Service to Pollution Probe. Two graduates are employed at Science North.



- The program enjoyed a very good reputation among professional science communicators in media and government and in organizations who have hosted students during their internships.

- The need to firmly establish the long term viability of the program has led the program's co-directors to build links to the university's undergraduate Liberal Science program which has the potential to become a "feeder" program for Science Communication.

- An undergraduate course available to all upper year science students was presented for approval at the university and discussions were initiated to offer two or three short, intensive courses, making the Science Communication program more accessible to students already in the workforce. Adding a Masters program remained a priority and will continue to be a goal for September 2010.

- Two evaluation workshops were delivered in Quebec to museum audiences and a third in British Columbia for the Natural Sciences and Engineering Research Council.

- The creation of a Research and Evaluation group reflected the mutually beneficial synergy between the Diploma Program and Science North. Research and evaluation workshops for Science North staff, evaluation of visitor experience in the *Ends of the Earth* exhibition and the live science shows at Dynamic Earth were carried out throughout the year and contributed to the strengthening of an evaluation culture among the science staff.

Strategic Objective #2

Invest in people, technology and infrastructure.

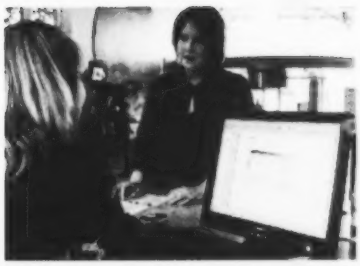
Strategic Goal #1

Increase investment in staff skill development and implement best practices to attract and retain staff.

- New funds have been injected into the professional development budget, providing a greater number of training opportunities for staff.
- An extensive skills evaluation was undertaken to evaluate training needs for existing staff and Individual Development Plans were developed, resulting in an overall training strategy to guide professional development priorities for staff for the coming year.
- Benefits levels were reviewed and extended to additional categories of staff, and existing benefits were advanced, providing new benefits and higher coverages. A new employees' children's scholarship was introduced.

Strategic Goal #2

Invest in new hardware, software and skills to reduce process and increase efficiency, customer service and sales.



- Several new additions and enhancements have been made to better serve customers and increase efficiency. In terms of bookings and sales systems related to schools, Science North now offers complete real-time, online access and booking capabilities for teachers and leaders in English and French. The camp registration system was upgraded and now supports real-time marketing and camp availability information. A survey for online customers has also been implemented.
- Enhancements and improvements have been made to reduce process and increase staff efficiency. The sales system server now automatically delivers daily, weekly, monthly sales and revenue reports to staff within various units of the organization. An Invitation System has been created to simplify and streamline the process of sending invitations and monitoring RSVPs. A digital asset management software tool, has been set up and enables staff to easily find, share and publish files, photos and videos used for their work and projects. A Customer Relationship Management (CRM) software package was also purchased and installed to aid the Business Development unit in tracking communication with clients and sponsors to promote better service.

Strategic Goal #3

Increase investment in the maintenance and renewal of Science North's physical infrastructure.

- Science North received a total of $1,814,000 in funding from the Ministry of Culture in the fiscal year to address high-priority repair and rehabilitation projects. A variety of exhibit floor mechanical and electrical upgrades have been made. Power factor correction equipment was installed that will reduce Science North's operating costs and environmental impact.

- Science North has built technical team strength over the past year. Two experienced tradesmen (electrician, millwright) who were familiar with Science North operations were hired and contributed to improving the Centre's repair and maintenance status. Science North continues to evaluate technical personnel needs and plans to offer apprenticeship opportunities to augment the team's skills.

Strategic Objective #3

Increase self-generated revenue.

Strategic Goal #1

Increase revenue, margins and profit from Science North Enterprises.

- Science North achieved one of the most profitable years for its external business by generating almost $1 million in gross profits from the sale of exhibits, consulting services and multimedia products to external clients.

- Two major multimedia shows were completed and installed for external clients. *Engineered for Speed* is a key part of The Concorde Experience in Barbados and features a G-BOAE Concorde that is 'brought to life' with a spectacular multimedia, immersive show. *The Western Skies* show is featured at the opening of every presentation at the 2000 seat Plaza Theatre in El Paso, Texas, showcasing a spectacular sunrise to sunset special effects show.

- Two new Nature Exchanges were installed for clients; one at the Las Vegas Springs Preserve and one at the BC Wildlife Park. These represent the seventh and eighth Nature Exchanges that form a North America-wide connection of nature based trading centres.

- Science North also secured agreements to support $2.6 million in revenues in future years' business.

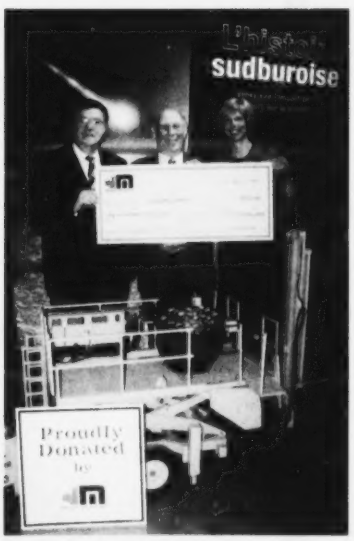
Strategic Goal #2

Increase fundraising with ongoing campaigns to build an endowment fund and support exhibit renewal.

- The fundraising goal for Phase 2 of Dynamic Earth was exceeded by $400,000, which supported the Phase 3 expansion. In addition to support from various government partners – the Northern Ontario Heritage Fund Corporation, City of Greater Sudbury and Department of Canadian Heritage through its Cultural Spaces Program – the mining sector made significant investments recognizing the return value to the industry through various educational programs and experiences. Representatives from the mining sector also voluntarily participated on the Fundraising Committee, acting as ambassadors for Science North and providing accountability to the project.
- A long-time supporter of Science North – The F. Jean MacLeod Trust – provided a commitment of 'seed' funding of $500,000 to establish an endowment fund for the Centre. The objective of the fund will be to preserve the principal while simultaneously generating annual investment income to sustain development and frequent changeover in the science experiences for visitors.
- A $250,000 contribution was committed by the TD Bank Financial Group for the renewal of Level 3 of the science centre. The focus of the new Northern Ecosystem Gallery complements TD's corporate commitment to both education and a sustainable environment to pass on to future generations.

Strategic Goal #3

Increase sponsorship to support operations and exhibit and program development.



- Science North secured $45,000 in annual sponsorship commitments to support new programs and workshops at Dynamic Earth. Five new partners are supporting earth science education initiatives including programs delivered to visiting school groups, the introduction of 'themed' camp experiences, and activities and games incorporated into Mining Week.
- Secured $400,000 in sponsorships to support the development of the *Water-Works* travelling exhibit. Funding from Dow Corning Foundation, the City of Greater Sudbury, GE Canada and Fisheries and Oceans Canada has enabled Science North to produce a quality, travelling exhibit to tour North America and educate the general public on the collective efforts required to minimize the effects of our daily activities on watersheds. Additionally Ontario Power Generation and RBC Financial Group provided sponsorship for the exhibit from a local perspective, while it makes its debut in Sudbury from March to November 2008.
- Over $300,000 in sponsorship support was contributed by funders to support programs, camps, IMAX films and exhibits. During the year, a number of new relationships were forged, and existing relationships were strengthened through renewal of contracts and extension of support over longer periods.

Strategic Goal #4

Launch an IMAX film distribution business and fund a series of IMAX productions which provide ongoing operating returns to Science North.

- $5.4M was raised for the production and distribution of *Mysteries of the Great Lakes.*
- 10 theatre leases have been secured to exhibit *Mysteries of the Great Lakes* in IMAX and large format theatres in North America including theatres in Toronto, Cleveland, Indianapolis, St. Louis and Ottawa.
- Science North launched a Large Format Film Distribution Unit, complete with sales and customer service systems.
- Fundraising efforts have begun for the future productions *Arctic Odyssey* and *Wild China.*

Strategic Objective #4

Secure increased base operating funding from the Ministry of Culture.

Strategic Goal #1

Develop the business case for an increased base operating grant from the Ministry of Culture.

- Over the course of the fiscal year, Science North has worked to increase awareness of the need for increased operating support. The Ministry of Culture provided Science North with a $400,000 per year increase in the base operating grant in 2007-08.

Science North Donors and Sponsors

Government Supporters

Canadian Space Agency
City of Greater Sudbury
Fisheries and Oceans Canada
Government of Nunavut – Culture, Language, Elders and Youth
Human Resources and Social Development
Indian and Northern Affairs Canada
Industry Canada/FedNor
Ministry of Culture
Ministry of Economic Development and Trade
Ministry of Northern Development and Mines
Ministry of Training Colleges and Universities
National Sciences and Engineering Research Council of Canada
Northern Ontario Heritage Fund Corporation
Ontario Cultural Attractions Fund
Ontario Ministry of Tourism

Special Exhibits

Beyond Wireless
S.M. Blair Family Foundation
Dow Corning Foundation
GE Canada
IPEX
RBC Financial Group

Media Sponsors

CBC Radio
CTV
Rogers Radio
The Sudbury Star

Science Programs and Exhibits / Workshops / Children's Activities

ABB Robotics
Bestech
Glen and Paula Davidge
Imperial Oil Foundation
Manitoulin Transport
Dr. Chris Nash
Northern College, Porcupine Campus
NorthernTel
Ontario Power Generation
PALCIK Educational Products Limited
Sudbury Neutrino Observatory
Travelodge Hotel

IMAX® Films and Virtual Voyages Experiences

Pepsi Bottling Group
Travelway Inn

Seasonal Holiday and Special Events

Bianco's Movie Supercentre
Canada Goose Expedition Clothing Outfitters
Diageo
Echo Rental and Supply
OWL Magazine
Persona
Piller's
Scholar's Choice
Scotiabank

Dynamic Earth Phase 3 Donors

Government Supporters

Canadian Heritage – Cultural Spaces Canada
City of Greater Sudbury
Human Resources and Social Development
Northern Ontario Heritage Fund Corporation

$50,000 and above

Caterpillar
HLS Hard-Line Solutions Inc.
MacLean Engineering
Vale Inco
Xstrata Nickel

$10,000 to $49,999

J.P. Bickell Foundation
FNX Mining Company Incorporated
Mining and the Environment Conference
Mining Technologies International
Topper's Pizza

$5,000 to $9,999

Canadian Geological Foundation
Kinecor

$1,000 to $4,999

CANUN International

$250 to $999

Denise Denis

Mysteries of the Great Lakes Film Funders

$1,000,000 +

Fednav Limited
Northern Ontario Heritage Fund Corporation

$500,000 - $999,999

Ontario Power Generation
Parks Canada
Presque Isle Partnership
Unilever Canada, Inc.

$100,000 - $499,999

Great Lakes Science Center
Industry Canada/FedNor
Ministry of Natural Resources
Ontario Science Centre
Saint Lawrence Seaway Development Corporation
The St. Lawrence Seaway Management Corporation

Up to $99,999

Cleveland-Cuyahoga County Port Authority
Detroit/Wayne County Port Authority
Duluth Seaway Port Authority
Great Lakes Maritime Research Institute
Hamilton Port Authority
Illinois International Port District
Kodak Canada
Port of Quebec
Port of Thunder Bay
Ports of Indiana
SimEx-Iwerks Entertainment
Toledo Port Authority
Toronto Port Authority

Science North Board of Trustees

(as of March 31, 2008)

Name	Date Appointed	Term Expiry Date
Risto Laamanen – Chair	May 15, 1992	May 15, 2010
Scott Lund – Vice Chair	June 29, 1998	June 28, 2010
Anna Armstrong	May 25, 2004	May 25, 2010
Mary Bernardi	July 4, 2001	August 25, 2010
Jordi Cisa	March 24, 2004	March 28, 2010
Elyse Clements	June 29, 1998	August 25, 2010
Doug Craig	July 4, 2001	August 24, 2010
Lorraine Dupuis	March 24, 2004	March 28, 2010
Samantha Espley	March 24, 2004	April 24, 2010
Eldon Gainer	May 15, 1992	August 17, 2008
Manfred Herold	May 25, 2004	May 25, 2010
Gordon Marrs	June 22, 2005	June 21, 2008
Helen Mulc	July 4, 2001	August 25, 2010
Rachel Prudhomme	May 15, 1992	August 25, 2010

Science North Committee Members

(as of March 31, 2008)

Audit Committee
Rachel Prudhomme – Chair
Mary Bernardi
Eldon Gainer

Business Affairs Committee
Helen Mulc – Chair
Doug Craig
Manfred Herold
Cathy Bailey
David Langlois

Executive Committee
Risto Laamanen – Chair
Scott Lund – Vice Chair
Elyse Clements
Samantha Espley
Helen Mulc

Science Program Committee
Samantha Espley – Chair
Anna Armstrong
Jordi Cisa
Elyse Clements
Lorraine Dupuis
Eldon Gainer
Gordon Marrs
Rachel Prudhomme
Diane Abols
Nels Conroy
David Wood

Science North Foundation Board
Elyse Clements – Chair
Mary Bernardi
Rachel Prudhomme
Martin Bayer
Collin Bourgeois
David Boyce
Frank Catalano
Mike Dibrina
John Fenton
Mike Franklyn
Cathy Gregorchuk
Floyd Laughren

Names in italics represent non-trustee members

Science North Staff

(as of March 31, 2008)

James Marchbank
Chief Executive Officer

Chloe Gordon
Executive Manager, Office of the CEO
Eileen Kotila
Administrative Assistant

David Pearson
Science Director

Chantal Barriault
Senior Scientist, Research and Evaluation
Mia Boiridy
Director of Dynamic Earth
Nancy Chartrand
Senior Scientist, Operations
Brenda Koziol
Senior Scientist
Jennifer Pink
Senior Scientist, Projects
Tina Montgomery (on leave)

Roger Brouillette
Anne Brule
Dan Chaput
Sarah Chisnell
Chantal Daoust
Bruce Doran
Amy Henson
Bruce Holden
Kirsti Kivinen-Newman
Frank Mariotti
Lita McDonald-Jensen (on leave)
Howie Mende
Stephen Smith (on leave)
Danielle Waltenbury
Staff Scientists
Paul Balez
Christine Bigras
Michel Tremblay
Christian St. Pierre
Science Communicators
Dale Myslik
Jacqueline Timmermans
Science Technicians

Carey Roy
Assistant to the Directors, Science & Education Initiatives

Nicole Chiasson
Director of Education and Northern Programs

Alain Noel
Senior Scientist
Cathy Stadder Wise
Emily Torgerson
Ashley Tremblay
Staff Scientists
Shelby Swant
Science Communicator

Guy Labine
Director of Business Development

Brenda Tremblay
Associate Director of Business Development and Film Distribution

Rob Gagne
Senior Producer
Andrea Martin
John Milne
Associate Producers
Richard Wildeman
Animator
Chris Elliott (on leave)

Julie Moskalyk
International Sales Manager
Audrey Dugas
Sponsorship Sales & Development Officer
Dallas Peloquin
Sales Assistant

Christine Catt
Stephanie Deschenes
Lisa Koski
Louise Lacroix
Marketing Specialists
Joel Ayotte
Web Developer
Kim Lavigne
Mireille Wright
Graphic Artists

David Lickley
Large Format Films Director

Beverly Pugliese
Production Coordinator

Carolyn Thain
Director of Business Services

Denise Fera
Human Resources Manager
Rebecca Wilson
Personnel Officer

Dave Kelly
IT Services Manager
Brian Wright
IT Services Technician

Patricia Clizia
Business Operations & Service Manager
Crystal Craig
Michelle Lalonde
Renee LePera
Kim Parkhill
Sales Leaders
Ty Cumming
Volunteer Coordinator

Janine Pigozzo
Financial Officer
Michelle Ciulini
Loretta Clipperton
Angela McCandless (on leave)
Accountants
Diane Rossi
Pay & Benefits Officer

Jeff Baron
Director of Technical Services

Vern Gran
Project Manager
Dale Bursey
Mark Gibson
Ron Lalancette
Technical Managers
Tasio Gregorini
Senior Project Technologist
Jason Bradley
Gilles Caron
Don Greco
Paul Loiselle
Kevin McArthur
Shawn McNamara
Vince Murphy
Ron Pinard
Technical Specialists
Kayo Kinos
Renaud Marquis
Technicians
Norma Henry
Production Coordinator

Financial Statements of

SCIENCE NORTH

Year ended March 31, 2008

KPMG LLP
Chartered Accountants
Claridge Executive Centre
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Sudbury ON P3E 4R6

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AUDITORS' REPORT

To the Honourable Minister of Culture of the Province of Ontario and
the Board of Trustees of **Science North**

We have audited the statement of financial position of **Science North** as at March 31, 2008 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of Science North's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Science North as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

Sudbury, Canada

May 22, 2008

SCIENCE NORTH

Statement of Financial Position

March 31, 2008, with comparative figures for 2007

		2008	2007
Assets			
Current assets:			
Cash and short-term investments	$	5,682,731	2,526,043
Accounts receivable		2,575,149	3,030,081
Prepayments and inventory		404,680	516,356
		8,662,560	6,072,480
Restricted investments, at cost		3,810,936	3,598,984
Capital assets (note 2)		40,654,711	37,011,685
	$	53,128,207	46,683,149
Liabilities and Fund Balances			
Current liabilities:			
Accounts payable and accrued liabilities	$	2,710,145	2,920,526
Deferred revenue		1,305,356	1,215,075
Current portion of loans payable (note 3)		5,344	7,312
		4,020,845	4,142,913
Loans payable (note 3)		2,884,895	2,079,504
Fund balances:			
General		2,419,852	1,034,217
Capital asset		38,830,082	35,181,713
Restricted (note 4)		4,972,533	4,244,802
		46,222,467	40,460,732
	$	53,128,207	46,683,149

See accompanying notes to financial statements.

SCIENCE NORTH

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2008, with comparative figures for 2007

	General		Capital Asset		Restricted		Total	Total
	2008	2007	2008	2007	2008	2007	2008	2007
Revenue:								
Province of Ontario grants:								
Operating	$ 3,364,400	2,964,400	-	-	-	-	3,364,400	2,964,400
Specific	626,856	318,960	3,558,269	2,632,181	-	-	4,185,125	2,951,141
Government of Canada grants	275,662	205,351	407,567	2,003,984	-	-	683,229	2,209,335
Admissions:								
Science Centre	950,426	966,811	-	-	-	-	950,426	966,811
Dynamic Earth	435,012	423,497	-	-	-	-	435,012	423,497
IMAX Theatre	523,645	550,980	-	-	-	-	523,645	550,980
Virtual Voyages	106,878	146,238	-	-	-	-	106,878	146,238
Workshops and events	627,678	636,996	-	-	-	-	627,678	636,996
Members	221,093	383,561	-	-	-	-	221,093	383,561
Business operations:								
Food services	566,864	523,831	-	-	-	-	566,864	523,831
Exhibit and theatre production sales	3,131,281	1,576,666	-	-	-	-	3,131,281	1,576,666
Film production services	57,842	234,273	-	-	-	-	57,842	234,273
Retail	800,494	744,513	-	-	-	-	800,494	744,513
Parking	77,533	86,342	-	-	-	-	77,533	86,342
Fundraising and donations	1,017,271	423,519	3,036,270	1,305,842	433	372	4,053,974	1,729,733
Interest earned	292,395	190,114	-	-	173,712	150,940	466,107	341,054
Other	28,488	55,991	-	-	-	-	28,488	55,991
	13,103,818	10,432,043	7,002,106	5,942,007	174,145	151,312	20,280,069	16,525,362
Expenses:								
Science program:								
Science Centre operations	1,630,534	2,154,431	-	-	-	-	1,630,534	2,154,431
Education and Northern programs	869,847	769,397	-	-	-	-	869,847	769,397
Dynamic Earth operations	404,263	306,382	-	-	-	-	404,263	306,382
Business operations:								
IMAX Theatre	566,817	534,158	-	-	-	-	566,817	534,158
Virtual Voyages	45,948	90,457	-	-	-	-	45,948	90,457
Food service	394,472	366,472	-	-	-	-	394,472	366,472
Cost of exhibit sales	2,150,933	843,363	-	-	-	-	2,150,933	843,363
Cost of film services	88,844	528,089	-	-	-	-	88,844	528,089
Retail	555,174	517,791	-	-	-	-	555,174	517,791
Box office and sales	388,278	379,434	-	-	-	-	388,278	379,434
Maintenance and building	1,633,616	1,393,543	-	-	-	-	1,633,616	1,393,543
Administrative support	1,474,603	1,386,311	-	-	-	-	1,474,603	1,386,311
Marketing and development	816,398	959,464	-	-	-	-	816,398	959,464
Program technical support	260,937	579,059	-	-	-	-	260,937	579,059
Amortization	-	-	3,237,670	3,222,783	-	-	3,237,670	3,222,783
	11,280,664	10,808,351	3,237,670	3,222,783	-	-	14,518,334	14,031,134
Excess (deficiency) of revenue over expenses	1,823,154	(376,308)	3,764,436	2,719,224	174,145	151,312	5,761,735	2,494,228
Fund balances, beginning of year	1,034,217	1,557,066	35,181,713	32,450,757	4,244,802	3,958,681	40,460,732	37,966,504
Transfers for capital assets	187,852	141,302	(116,067)	11,732	(71,785)	(153,034)	-	-
Interfund transfers (note 5)	(625,371)	(287,843)	-	-	625,371	287,843	-	-
Fund balances, end of year	$ 2,419,852	1,034,217	38,830,082	35,181,713	4,972,533	4,244,802	46,222,467	40,460,732

See accompanying notes to financial statements.

SCIENCE NORTH

Statement of Cash Flows

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Cash flows from operating activities:		
Excess of revenue over expenses	$ 5,761,735	2,494,228
Adjustments for:		
Amortization	3,237,670	3,222,783
Debt discount (net)	(25,589)	(45,372)
	8,973,816	5,671,639
Changes in non-cash working capital	446,508	1,448,630
	9,420,324	7,120,269
Cash flows from financing and investing activities:		
Additions to capital assets	(6,880,696)	(5,946,427)
Repayment of loans payable	(7,312)	(56,356)
Increase in other restricted investments	(211,952)	(744,810)
Additions to loans payable	836,324	294,904
	(6,263,636)	(6,452,689)
Net increase in cash and short-term investments	3,156,688	667,580
Cash and short-term investments, beginning of year	2,526,043	1,858,463
Cash and short-term investments, end of year	$ 5,682,731	2,526,043

See accompanying notes to financial statements.

Science North (the "Organization") is an agency of Her Majesty created under the Science North Act, 1986 by the Ontario Legislative Assembly. The principal activity of the Organization is to create and market high quality science education and entertainment experiences and products, which involve people in the relationship between science and everyday life.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements include the assets, liabilities, revenues and expenses of all of the Organization's activities, some of which are contracted out to an associated organization. All inter-organization balances and transactions have been eliminated.

Because the Organization receives funding for operational and special purposes, the financial statements are presented in a manner, which segregates the following funds:

- General fund, which presents the day-to-day demonstrative, business, administrative and maintenance operations of the Organization.
- Capital asset fund, which presents the assets, liabilities, revenues and expenses related to the Organization's capital assets.
- Restricted fund, which presents the assets, liabilities, revenues and expenses, which are restricted as to purpose and expendability and set aside by the Board of Trustees, the Province of Ontario or other benefactors.

(b) Revenue recognition:

The Organization follows the restricted fund method of accounting. Under this method, the following principles have been applied:

- Contributions are recorded as revenue in the respective funds based on their nature, source and the restrictions stipulated by the donor.
- Contributions including pledges and donations are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.
- Revenue on contracts is recognized using the percentage-of-completion method. The percentage is determined by relating the actual cost of work performed to date to the current estimated total cost for each contract. Unearned advances are deferred. Projected losses, if any, are recognized immediately for accounting purposes.

(c) Investments:

Investments consist of bonds and coupons and are unsecured at amortized cost.

1. Significant accounting policies (continued):

(d) Capital assets:

With the exception of the Bell Grove land, which is recorded at nominal value, property and equipment are stated at cost or fair market value if donated.

Amortization on buildings is provided on the declining-balance basis at an annual rate of 5%.

Amortization on exhibits and equipment is provided on the straight-line basis at annual rates ranging from 5% to 20%.

Amortization on large format films, when available for use, will be provided on a declining-balance basis.

(e) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

(f) Accounting changes - Financial instruments:

Effective April 1, 2007, the Organization adopted CICA Handbook Section 3855, "*Financial Instruments - Recognition and Measurement*", Section 3862, "*Financial Instruments - Disclosure and Presentation*" and Section 3863, "*Financial Instruments – Presentation*".

Sections 3862 and 3863 establish standards for disclosure and presentation of financial instruments and non-financial derivatives, and identify the information that should be disclosed about them. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated.

Section 3855 prescribes when a financial asset, financial liability or non-financial derivative is to be recognized on the statement of financial position and at what amount, requiring fair value or cost-based measures under different circumstances. Under Section 3855, financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the statement of financial position at fair value except for loans and receivables, held to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in the statement of operations and changes in fund balances; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in deferred contributions for externally restricted investments and the statement of operations and changes in fund balances for unrestricted investments.

1. Significant accounting policies (continued):

(f) Accounting changes - Financial instruments (continued):

Upon adoption of the new standards on April 1, 2007, the Organization designated its cash and short-term investments as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Restricted investments are designated as held-to-maturity, which are recorded at amortized cost. Accounts payable and accrued liabilities and loans payable are classified as other financial liabilities, which are measured at amortized cost.

The Organization has selected to account for transactions at the trade date.

As a result of the adoption of these new standards, an adjustment of $Nil has been made to the opening general fund balance to adjust the short-term investments to market value.

(g) Employee future benefits:

The Organization has defined contribution plans providing pension benefits. The cost of the defined contribution plans is recognized based on the contributions required to be made during each year.

2. Capital assets:

	2008		2007	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land and buildings:				
Bell Grove	$ 42,605,402	23,893,551	42,128,437	22,908,716
Dynamic Earth	13,042,632	2,172,967	11,979,430	1,662,985
Exhibits and equipment:				
Bell Grove	23,945,986	21,516,411	23,707,937	20,781,805
Dynamic Earth	4,724,501	2,068,143	4,037,425	1,550,566
Travelling exhibits	5,208,757	2,218,344	3,790,202	1,727,674
Large format film	2,996,849	–	–	–
	92,524,127	51,869,416	85,643,431	48,631,746
Less accumulated amortization	51,869,416		48,631,746	
	$ 40,654,711		37,011,685	

3. Loans payable:

Reduced or non-interest bearing loans are payable as follows:

	Principal Outstanding		
	2008	2007	Payment Terms
Province of Ontario:			
IMAX Theatre	$ 435,837	435,837	50% of average annual IMAX Theatre profits, if any, for previous two fiscal years
Virtual Voyages	394,135	401,447	5% of revenues from the Virtual Voyages motion simulator ride during the prior year to May 1, 2017
Wings Over the North	1,000,000	1,000,000	One third of remaining distribution profits received by Science North once a third party contributor has recouped its investment against such profits
Travelling Exhibits	624,025	249,532	Up to $1,000,000 in principal may be drawn, repayable in annual installments commencing January 1, 2010 with six annual payments of $166,667. Interest of 6.25% will begin to accrue at the date of the first payment. The portion of the loan advanced has been discounted to reflect the fair value. The discount has been calculated at $70,961 (2007 - $45,372).
Industry Canada / FedNor:			
Ends of the Earth	350,000	–	Repayable at 50% of lease revenue for the Exhibit in excess of a specified balance.
Mystery of the Great Lakes	86,242	–	Repayable based on leases obtained after a specified balance achieved.
Total	2,890,239	2,086,816	
Less current portion of loan payable	5,344	7,312	
	$ 2,884,895	2,079,504	

The Federal loans payable reflect management's current estimates of its obligation given the plans and results to date. The balances have not been discounted given the demand feature.

4. Restricted fund:

The restricted fund is comprised of the following:

	2008	2007
Externally restricted:		
Capital renewal fund	$ 2,307,078	2,360,669
Program and exhibit funds	342,850	328,567
	2,649,928	2,689,236
Internally restricted:		
Funds:		
Waterfront development	64,729	42,047
Other	1,570,374	969,214
Reserves:		
Human resources	233,314	178,915
Replacement of capital assets	454,188	365,390
	2,322,605	1,555,566
	$ 4,972,533	4,244,802

5. Interfund transfers:

The interfund transfers are comprised of:

a) net assets of $153,877 (2007 - $24,017) which were internally allocated between the General Fund and the Restricted Fund, to cover certain general fund purchases;

b) net assets of $151,797 (2007 - $148,692) which were internally allocated between the General Fund and the Restricted Fund for future capital acquisitions; and

c) net assets of $627,451 (2007 - $163,169) which were internally allocated between the General Fund and the Restricted Fund to cover future operational expenditures.

6. Fair value of financial instruments:

The fair values of the Organization's cash and short-term investments, accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to the relatively short periods to maturity of the instruments. The market value of the restricted investments is $4,026,364 (2007 - $3,750,157). It is not practicable to determine the fair value of the loans payable in view of the indefinite terms except for the loan which has been discounted as disclosed in note 3.

The Organization's financial instruments do not expose the Organization to a significant concentration of credit or interest rate risk.

7. Employee future benefits:

The contributions to the defined contribution pension plans were $419,041 (2007 - $381,729).

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Science North is an agency of the Ontario Ministry of Culture.
Ce rapport annuel est aussi disponible en français.